

Thomas G. Robinson, Esq.  
National Grid, USA  
25 Research Drive  
Westborough, Massachusetts 01582-0099

Re: Massachusetts Electric Company, D.T.E. 99-111

Dear Mr. Robinson:

On December 1, 1998, pursuant to the Restructuring Settlement approved by the Department of Telecommunications and Energy ("Department") in Massachusetts Electric Company and Nantucket Electric Company, D.P.U./D.T.E. 96-25 (1997) Massachusetts Electric Company and Nantucket Electric Company (collectively, "MECo" or "Company") filed its rate reconciliation and adjustment filing for calendar year 2000. The Department docketed the filing as D.T.E. 99-111. On January 5, 2000, the Department issued an Order approving "MECo's transition charge subject to the Department's ongoing investigation in this proceeding" (id. at 2).

On June 12, 2001, MECo submitted to the Department a Settlement it had filed with, and was accepted by, the Federal Regulatory Energy Commission ("FERC"), resolving all issues presented by the Company's 1999 Contract Termination Charge Reconciliation. The Settlement states that the Company, New England Power Company ("NEP"), the Attorney General of the Commonwealth, Associated Industries of Massachusetts, and The Energy Consortium, agree that no adjustments are required to the Company's 1999 reconciliation filing pursuant to the Department's Order in D.T.E. 99-111. Whereas the Department's jurisdiction in MECo's annual transition charge reconciliation filing is limited because the Company is an all-requirements customer of NEP, which is regulated by FERC, the Department is empowered to exercise jurisdiction over MECo only to the extent that it is not preempted by FERC.

Eastern Edison Company v. Department of Public Utilities, 388 Mass. 293 (1983). Since the Company's 1999 CTC Reconciliation has been resolved before FERC, the Department finds that no adjustments are needed to the Company's 1999 reconciliation filing.

Sincerely,

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James Connelly, Chairman

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W. Robert Keating, Commissioner

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Paul B. Vasington, Commissioner

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Eugene J. Sullivan, Jr., Commissioner

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Deirdre K. Manning, Commissioner